Creating and Funding a
Neighborhood Networks Center

Objectives

You will learn:

♦   How to develop startup and annual budgets.

♦   How to assess community resources and partnerships to aid in funding the budget.

♦   The budget planning process as a comprehensive and important element in planning for the support and sustainability of a center.

Key Points

♦   Key elements of a center budget.

♦   Function of a well-developed center budget for center planning and sustainability.

♦   Sections of the center budget—explanation.

♦   Methods for information gathering and budget planning.

♦   Distinguishing between a startup budget and an annual budget.

♦   Hidden costs that are often overlooked.

♦   Long-range and upkeep costs for equipment and programs and how those costs should be incorporated into an annual budget.

♦   Tools for mapping community resources.

♦   Methods for soliciting in-kind and monetary support from those resources.

♦   Partnership development strategies.

♦   Function of partnerships in funding portions of a NN center budget.

Program Development Materials

Creating and Funding a Neighborhood Networks Center

> ### Overview
>
> This session will guide you through the process of creating and setting up a sustainable center through budget and partnership development.

What will be covered in the session:
❑ Planning first-time setup budget and partnerships.
❑ Existing center budget expansion and partnership development.
❑ Mapping your community and developing sustainable partnerships.

Brief Overview

During the session we will cover creating and setting up a NN center and sustaining it through budget development and partnership development. We will look at the planning process for short-range, long-range, and comprehensive program development. In considering the key elements of a center budget, we will look at one-time setup costs; core costs for personnel, facility, equipment, training, and operations; program costs; expansion costs both for existing programs and as a part of planning for startups; and update costs. During this process, we will consider ways that a well-developed center budget can be not only the core of the planning process, but can integrate program philosophy and practice and provide the structure for successful partnerships and long-term sustainability.

The content of the session will focus on developing and utilizing the budget as an effective tool for development and sustainability. This will include key elements and concerns that should be incorporated into planning, and methods for gathering necessary information for planning and budget development. We will differentiate between the startup and an annual budget, and look at hidden costs that can undermine a program. Participants will acquire methods and tools for looking at long-range planning and sustainability, including ways to develop effective partnerships. We will involve participants through the development of a practical exercise and
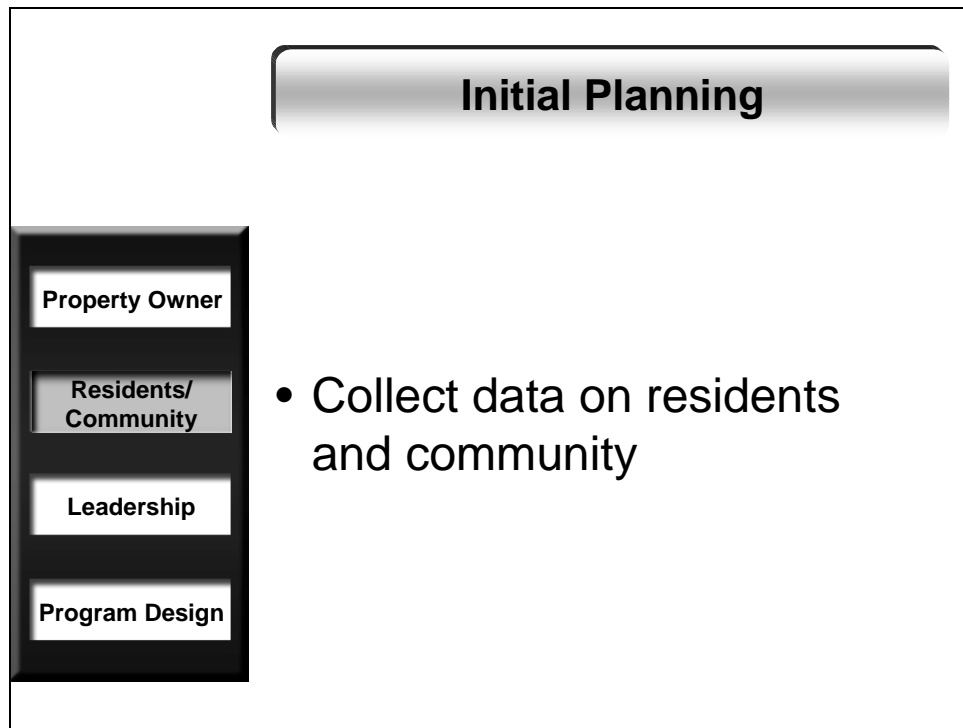
feedback. The group will be diverse in background and experience. We will utilize this experience base during the practical exercise by mixing people who already have a center up and running and people just starting. While you will be provided with some tools it is our hope that by your participation, we can make this a very rewarding experience and transmission of knowledge and ideas.
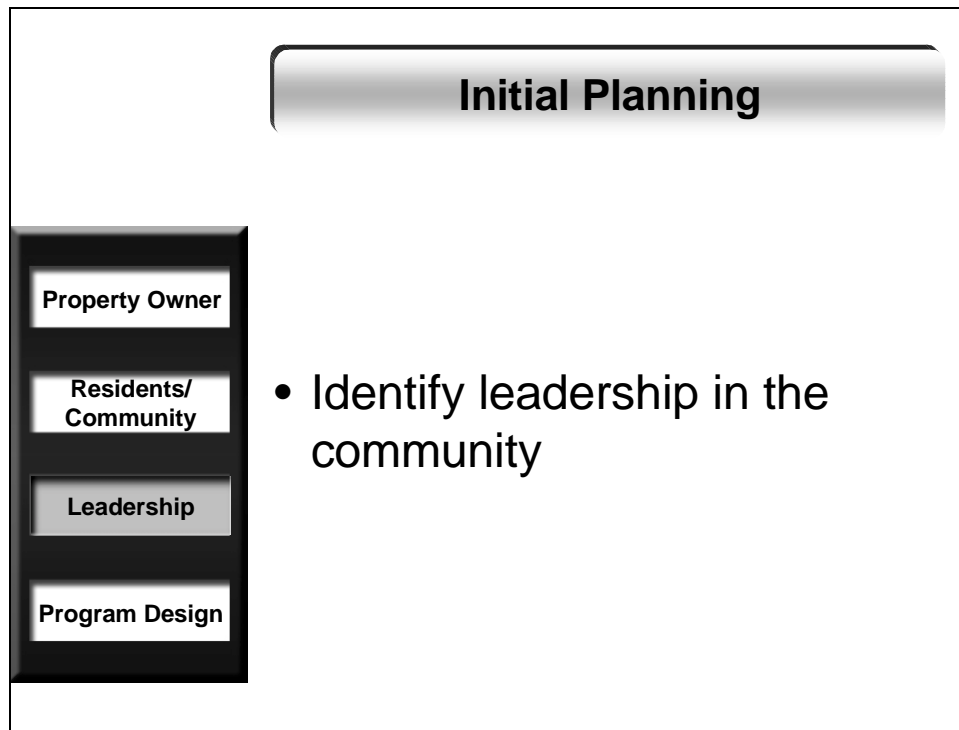
Initial Planning
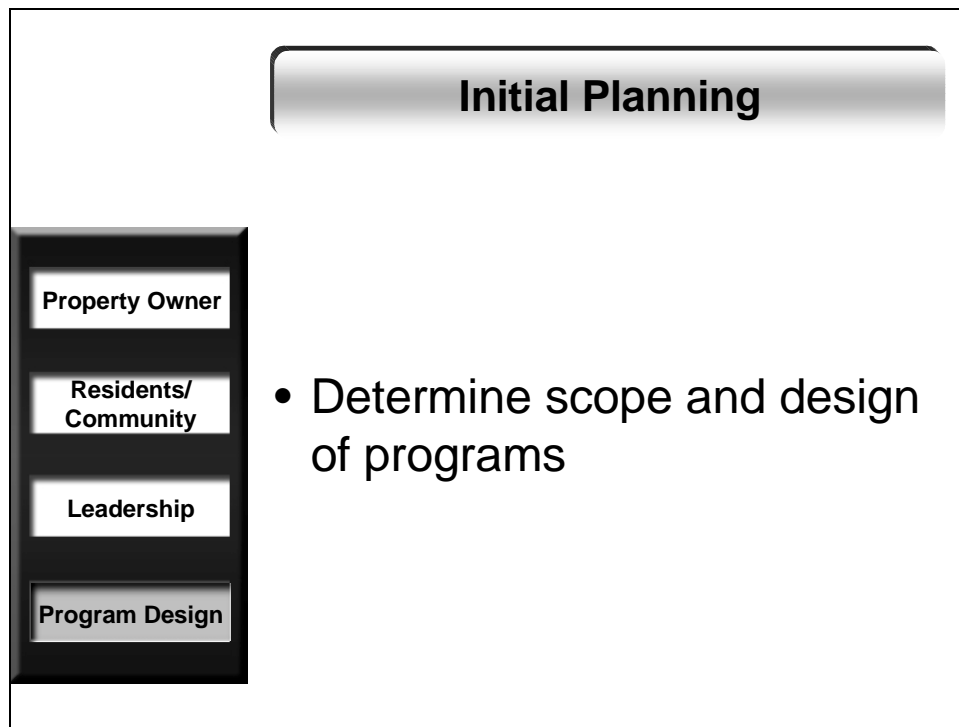
Some initial thoughts on setting up a NN center:
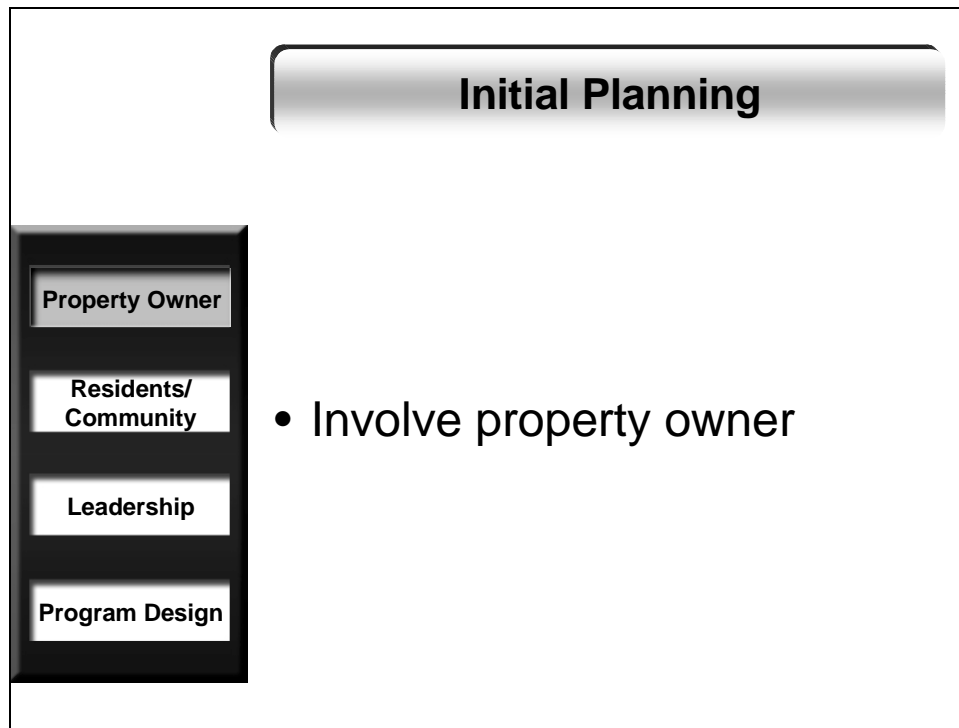
❑ How involved is the owner of the development with the residents and the idea of the NN center?

Initial Planning

Property Owner

Residents/ Community

Leadership
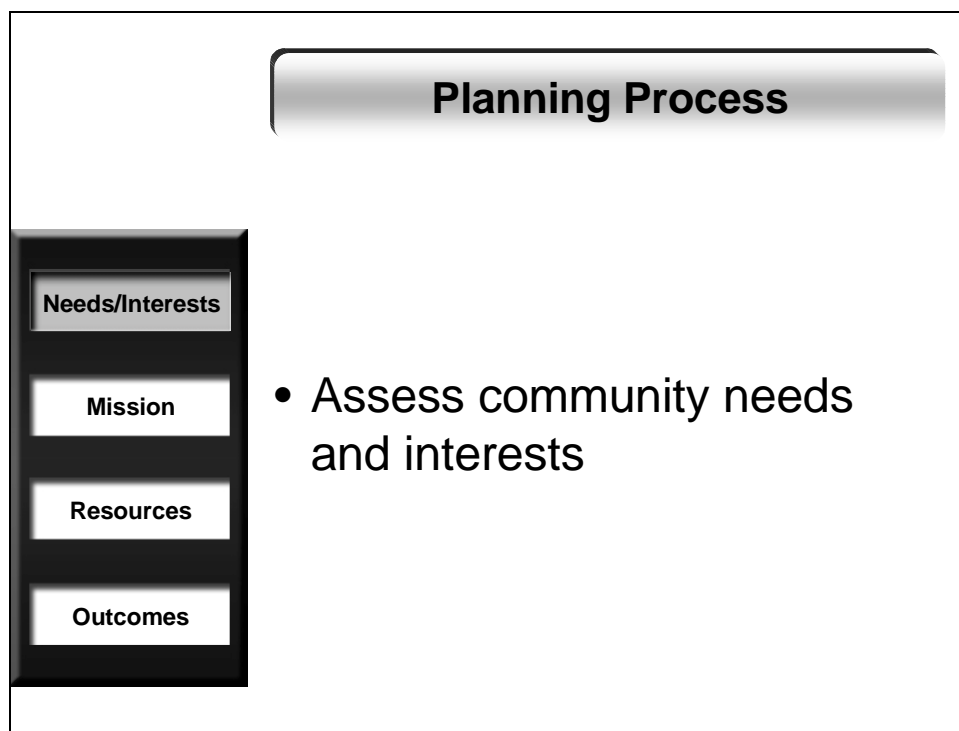
Program Design

- Collect data on residents and community

❑ What type of information base do you have from the resident community that gives a sense of the program base of the center?

❑ Given this data, have you thought about partners that would be involved in the initial setup of the center and the naming of the center?

Initial Planning

Property Owner

Residents/Community

Leadership

Program Design

- Identify leadership in the community

❑ Have you identified the leadership within the resident community? Have you established clear understandings of who is to do what during the initial process of setting up the center?

❑ Have you developed a mission statement, program offerings, and the philosophy of managing the center?

Initial Planning

Property Owner

Residents/Community

Leadership

Program Design

- Determine scope and design of programs

❑ Have you given thought to staffing and volunteers needed to cover the program and center hours?

❑ Have you thought about the space needs for computer setup, for meeting rooms, and other space needs such as conference and private office areas?

❑ Have you decided what types of computers you will need and the specification of the various machines? For example, will they all be Windows-based? How much memory and how much speed? What about hard disk capacity? What about video connections with FireWire ports? How many printers will you need, and how will they be hooked up to the computers? What about a video camera? Have you thought about the layout of tables and chairs for the computers?

❑ Have you thought about the various types of software for the programs you are offering? For example, if you focus on K–12 education, do you know what software the schools are using and will you attempt to mirror what software they have and what you will have? Have you asked the schools in your area if they would extend to you a license for the center so that software can be shared at your site?

❑ Have you checked to see if there are computer user groups in your area that would be willing to assist and provide advice?

Planning Process

Needs/Interests

Mission

Resources

Outcomes

• Assess community needs and interests

❑ Have you developed a working group of residents and nonresidents to provide counsel and lend name support to the program?

❑ Have you given thought to the core program you will be offering and how you will expand the program and services?

❑ Have you formalized your business development plan?

The above list of questions is by no means exhaustive. It is offered as a starting point for thinking through the initial setup of a center as well as sustaining an existing center. All of these questions directly impact your budget development. Before you can create a budget, many of these questions have to be dealt with, because the answers to these questions provide a great deal of the budget content.

Models of Alignment

There are various approaches to how NN centers are set up. Some are freestanding—the residents are totally on their own with no structural or program support from the owners. Some centers are supported by the owner through a structural relationship with the owner or housing entity, some are set up as separate nonprofit organizations, and some are set up off-site with a combination of the three above-mentioned models.

Agreement With the Owners and HUD

It is important to work out agreements with the owners and HUD related to some core costs being borne by the housing development or owner. These would be in addition to the one-time setup cost of the owner's contribution to establishing a NN center.

Planning Process

It is essential to make distinctions among the concepts, the contexts, the conditions, and the content in planning the center.

Examination of these same distinctions should also apply to the internal partners and the external partners.

Some of the steps involved in our planning process:
❑   Make an assessment of the community needs and interest levels in potential programs.

❑   Identify the key players that should be involved in the development of the mission statement.

Planning Process

Needs/Interests

Mission

Resources

Outcomes

• Develop mission statement
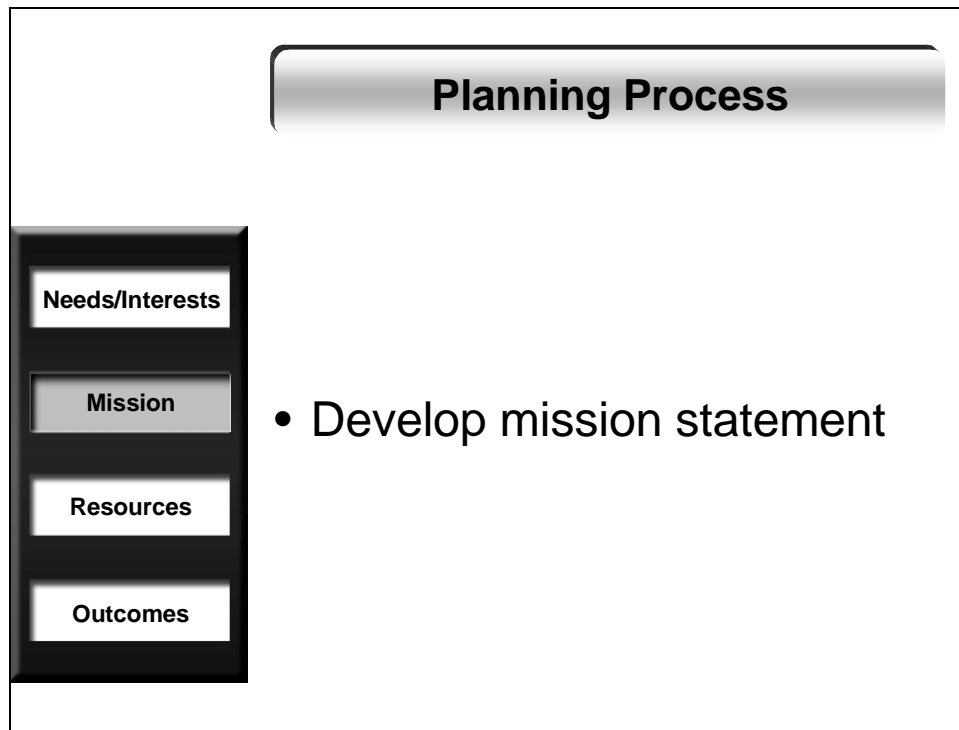
❑ Develop the mission statement as the philosophical and functional foundation of the project.

❑ Identify the program goals and objectives and the key partners identified with these program goals and objectives.

Planning Process

Needs/Interests

Mission

Resources

Outcomes

• Identify and develop resources
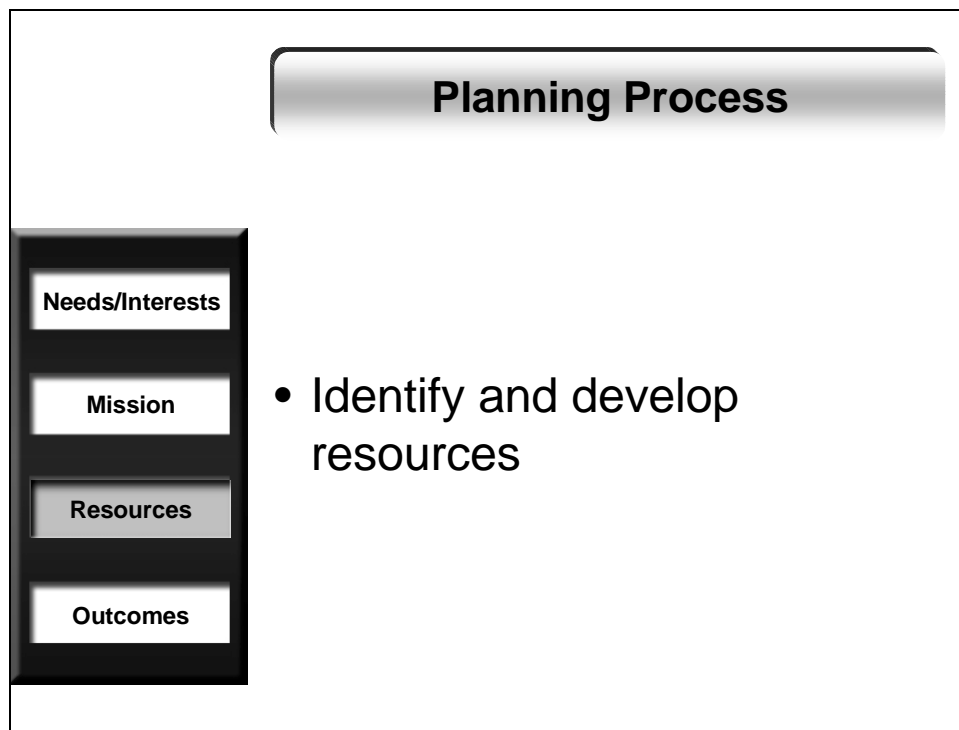
❑ Identify the resources needed to carry out the program.

❑ Design a mechanism for individual client development plans.
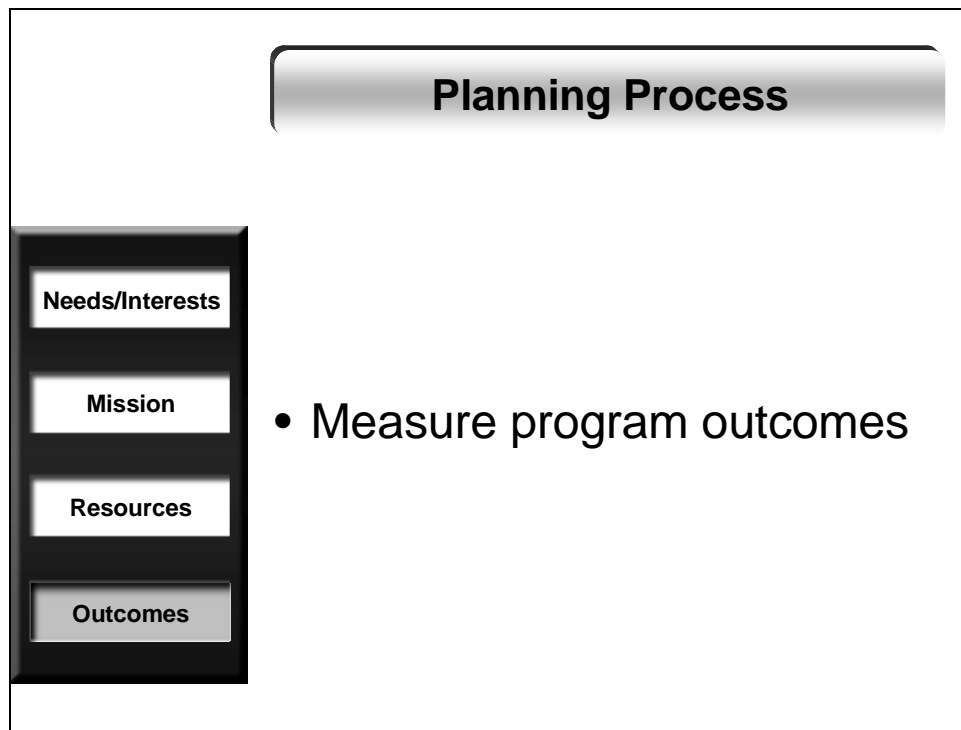
❑ Identify the expectations of outcomes.

❑ Identify the expectations of clients and providers.

Key questions to ask throughout the planning process:

Key Questions to Ask as You Plan

Startup

Vision

Goals

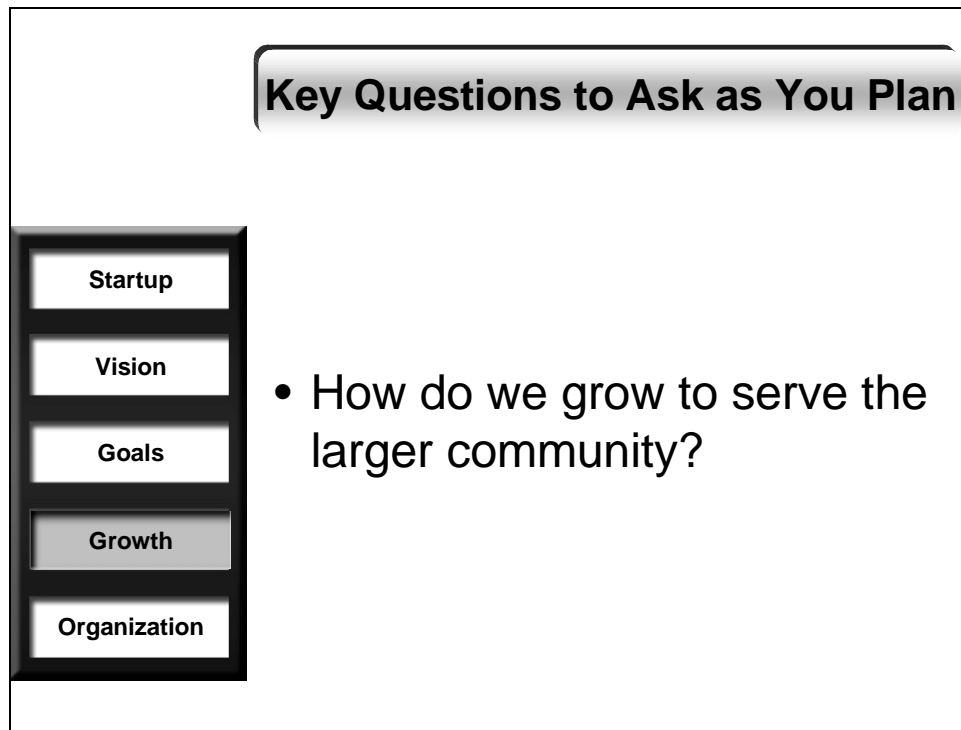Growth

Organization

• Why are we starting a center?
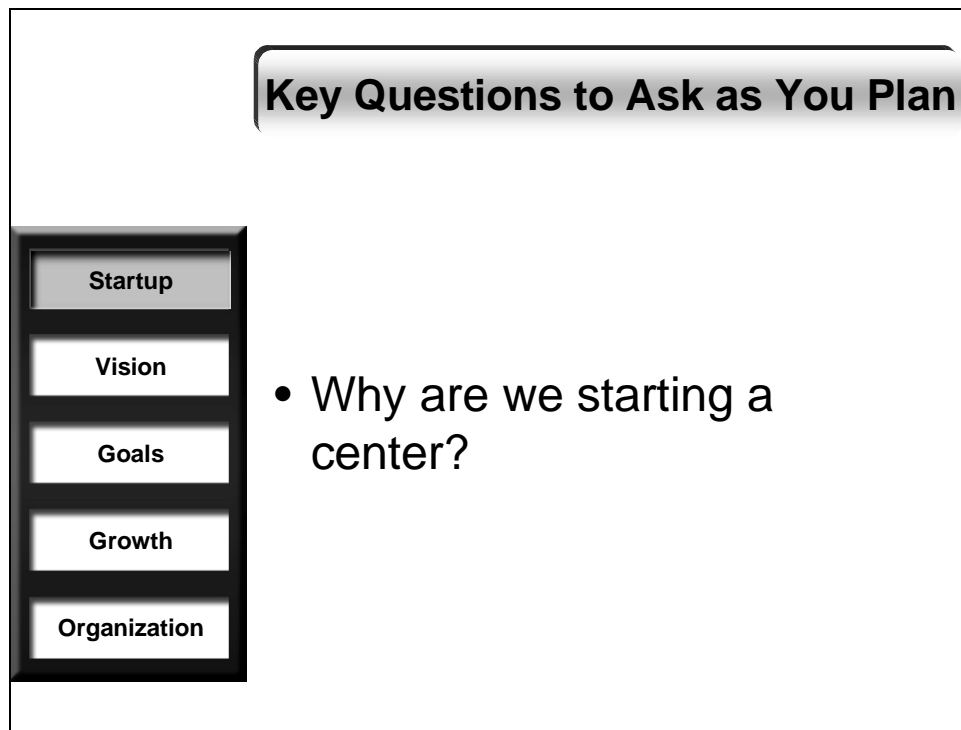
❑ Why did we decide to get involved and start a center?
  – Sense of mission in housing management.
  – Providing resources for learning and employment.
  – Integration of human services and housing management.
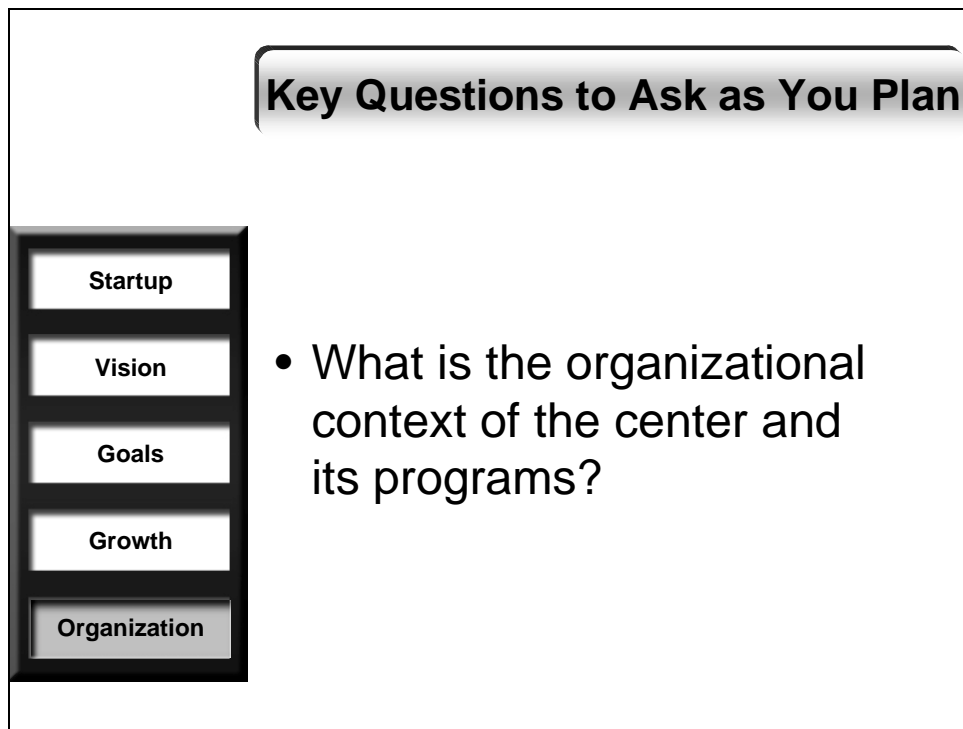 – The need for a holistic housing management system.
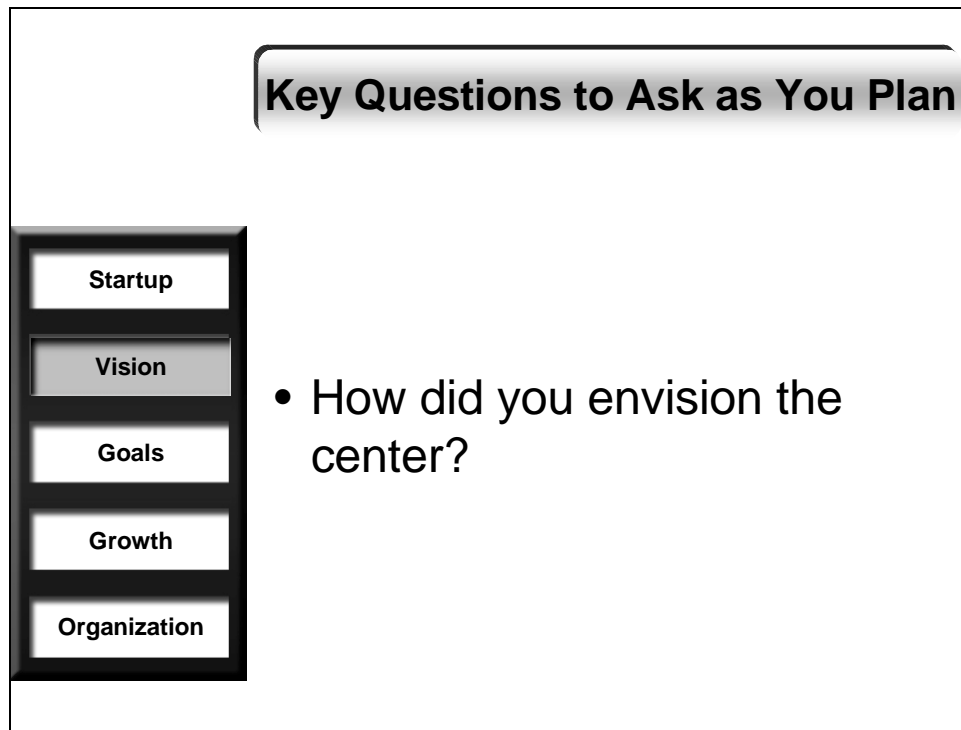
☐ What was your thought process from start to finish in conceptualizing the center?

☐ What are the diverse needs represented by client (resident) input?
– Form of input: resident focus groups and surveys.
– The underlying mental tone: actualizing your dreams.

☐ How do we build self-reliance into the design of the program?
– Establishing the philosophical framework.
– Theory Y of residents/clients.
– Client-centered management system.
– Developing the mission statement.
– Processing ownership into the design of the program.
– Hiring and training clients/residents to operate the enterprise of the community and the service base.
– Development of a client development plan.
– Integrating the client orientation and annual certification process with the client development plan.

Key Questions to Ask as You Plan

Startup

Vision

Goals

Growth

Organization

- What are the goals as identified by the user needs and available resources?
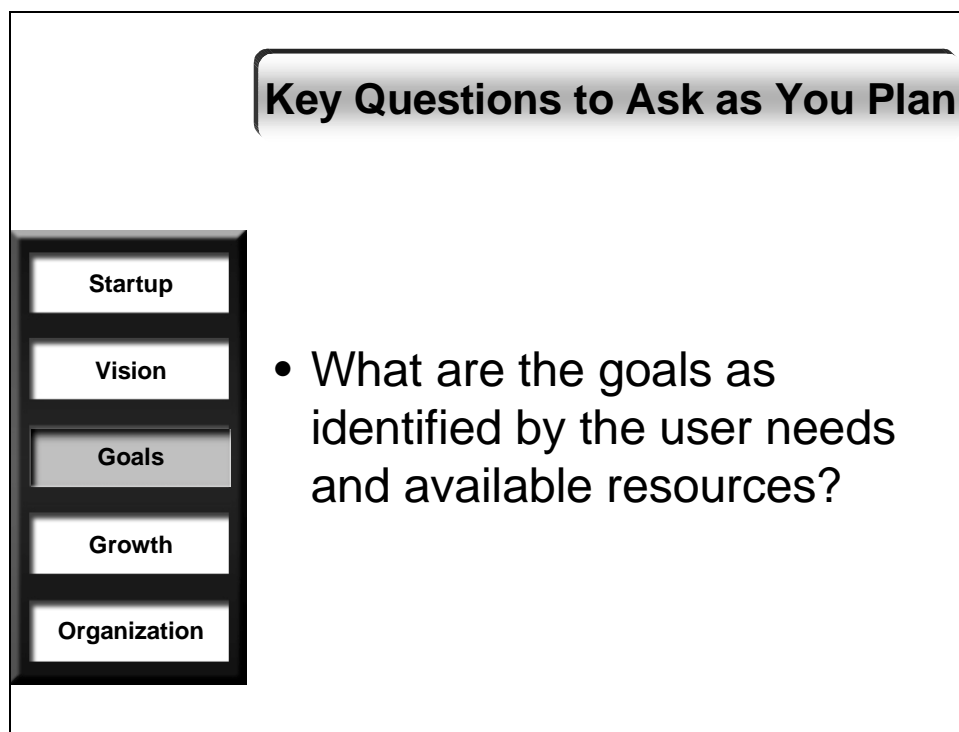
□ What are the goals of the program identified by the needs?
- What are the short-term goals?
- What are the long-term goals?

□ What are the resource needs for various aspects of program implementation?
- What are the internal resources and how are they controlled and dispersed?
- What are the external resources and how are they controlled and dispersed?

□ What are the priorities and issues of the various resource bases?
- How do they match what we are projecting?
- What are the politics of the resource bases?
- How do we develop a volunteer base?

□ How do we develop into a mainstream organization serving the larger external community?

□ What outreach needs to be done in the internal service community to sustain the learning center?

Key Questions to Ask as You Plan

- Startup
- Vision
- Goals
- Growth
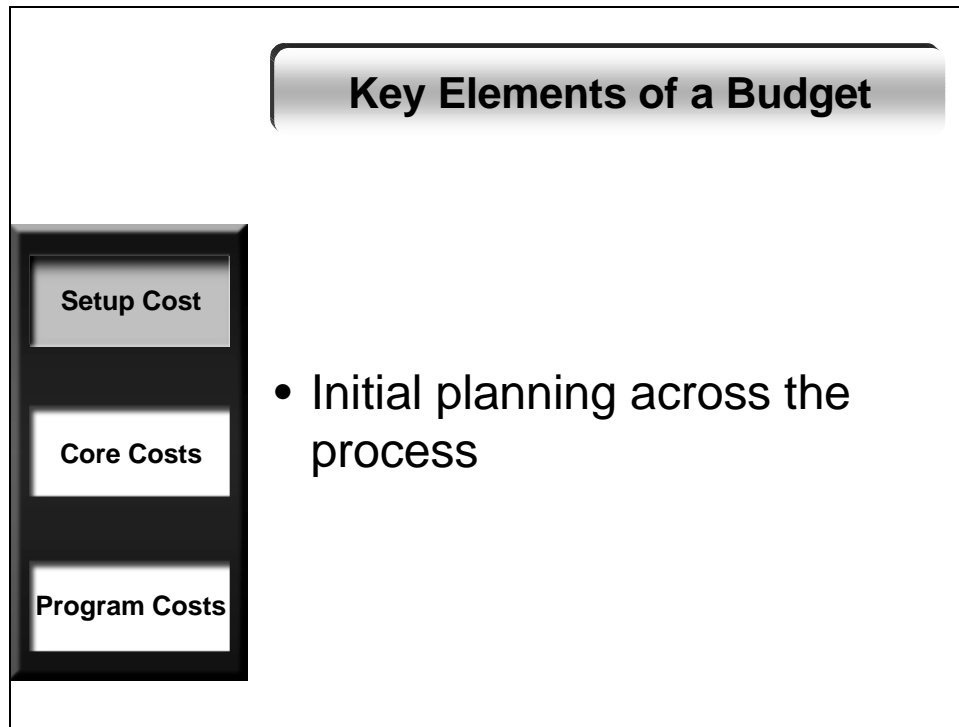- Organization

- How do we grow to serve the larger community?

❑ What outreach needs to be done in the external community to sustain and integrate the learning center into the larger community?
– Philosophical point was to minimize the continual isolation and dependence of the low-income housing residents.
– Broaden the internal base of opportunity to an external base of providing service to the larger community.

❑ What software is required to meet the identified needs and the desired goals?
– Educational software.
– Employment software.

❑ What are the hardware needs required to meet the goals of the center?
– How does the software used determine hardware needed?
– How do the hardware needs determine the software used?
– What types of software/hardware are used by the partners, and how do we mirror the partnership bases?

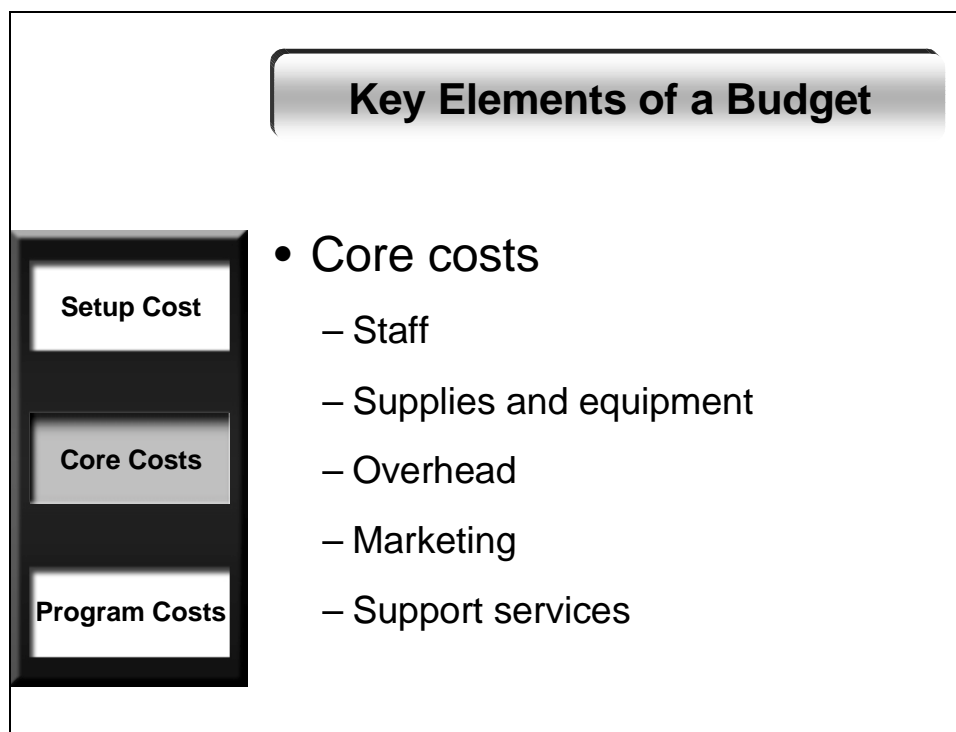**Key Questions to Ask as You Plan**

Startup

Vision

Goals

Growth

Organization

- What is the organizational context of the center and its programs?

❑ What is the organizational context of the center and its programs?
   – Housing based.
   – HUD related.

Key Elements of a Center Budget

Key Elements of a Budget

Setup Cost

Core Costs

Program Costs

• Initial planning across the process
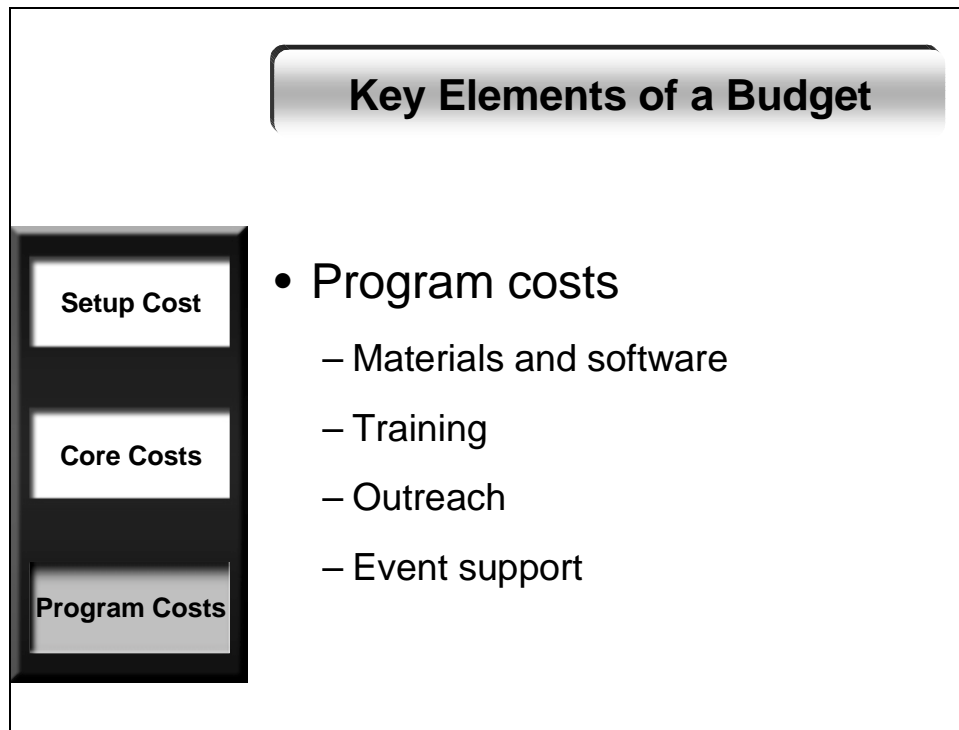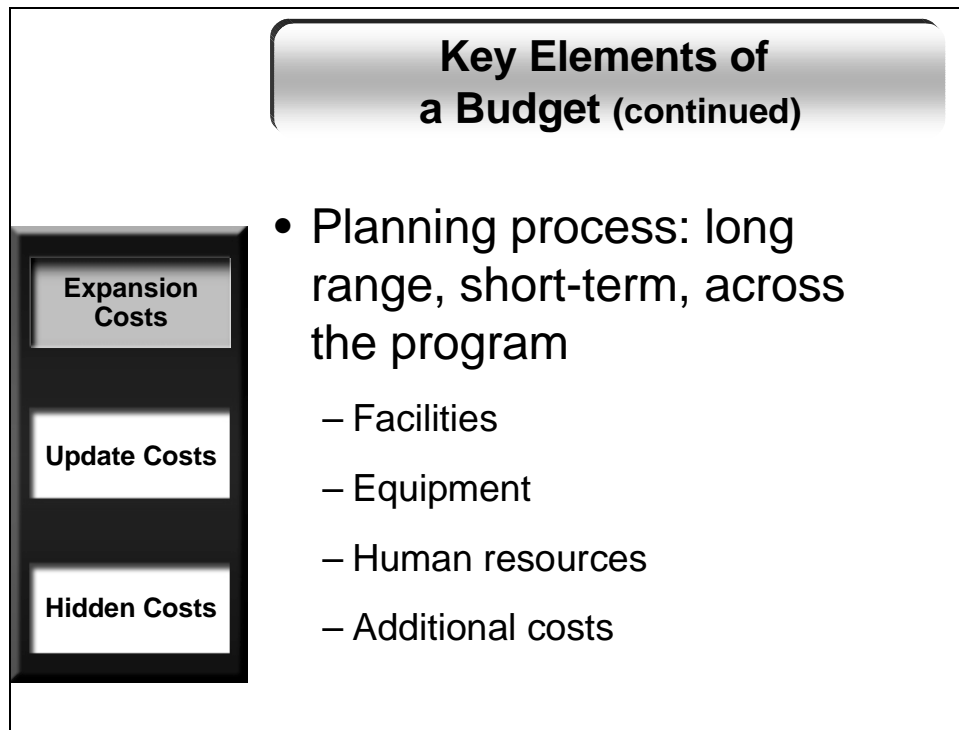
❏ One-time setup costs (initial planning process).
   – Rehabilitation of space for NN center.
   – Wiring and security.
   – Hardware.
   – Software.
   – Furniture.
   – Donated equipment.
   – Cost of establishing an organization.
   – Events support (such as the opening of the center).

Key Elements of a Budget

Setup Cost

Core Costs

Program Costs

- Core costs
  - Staff
  - Supplies and equipment
  - Overhead
  - Marketing
  - Support services

❑ Core costs (annual, ongoing).
  – Personnel and benefits, payroll taxes.
  – Office supplies and materials.
  – Computer supplies and materials.
  – Utilities.
  – Rent.
  – Telephone services, including Internet services.
  – Capital improvements, building maintenance.
  – Training.
  – Membership dues and fees.
  – Grant writing.
  – Fundraising.
  – Marketing.
  – Travel.
  – Audit and reporting.
  – Support services (could also be part of program costs).

Key Elements of a Budget

Setup Cost

Core Costs

Program Costs

- Program costs
  - Materials and software
  - Training
  - Outreach
  - Event support

❑ Program costs (annual, ongoing).
  - New materials and software.
  - Additional equipment.
  - Training for new software and program guidelines.
  - Conferences and meeting with new partners.
  - Developing additional outreach and marketing material.
  - Reporting and audit potentially related to partner or funding source.
  - Producing manuals for operation.
  - Events support.

Key Elements of
a Budget (continued)

Expansion Costs

Update Costs

Hidden Costs

- Planning process: long range, short-term, across the program
  – Facilities
  – Equipment
  – Human resources
  – Additional costs

❑ Expansion costs (planning process: long-range, short-range, program).
 – Potential space expansion, rehabilitation, capital improvements.
 – Increase in number of hardware units and peripherals.
 – Increase in staffing needs, including volunteer and paid staff.
 – Increased costs related to off-site services.
 – Increase in office supplies and computer supplies.
 – Additional cost of software and licensing.

Key Elements of
a Budget (continued)

Expansion
Costs

Update Costs

Hidden Costs

• Update costs

  – Equipment and software
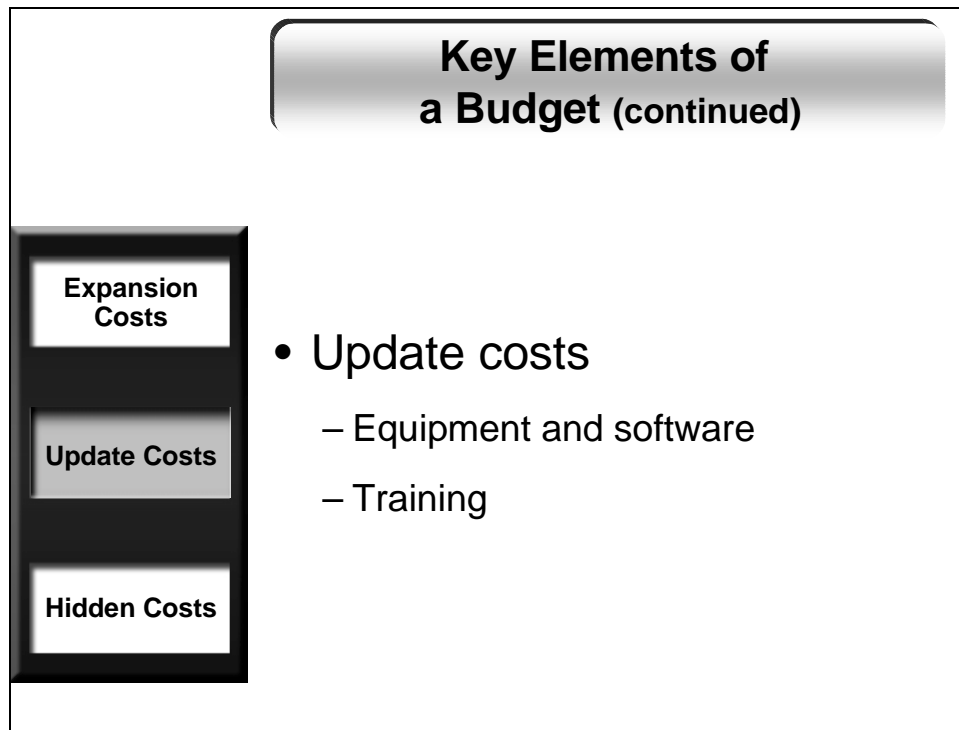
  – Training

❑ Update costs (planning process).
  – New equipment and software.
  – Training.

❑ Hidden costs.
  – Modifying the program to meet partners' requirements.
  – Participation costs.
 – Modifying space to meet grantors' or regulatory requirements.

Once you have an idea of cost factors related to your center and its budget needs, you can begin to examine ways to raise the income to meet the expenses. Remember, partners can bring legitimization, income, manpower, supplies, and sponsorship. Let's start by examining the relationship to the owner of the property.

Partners

There are two primary zones of partners: internal and external.
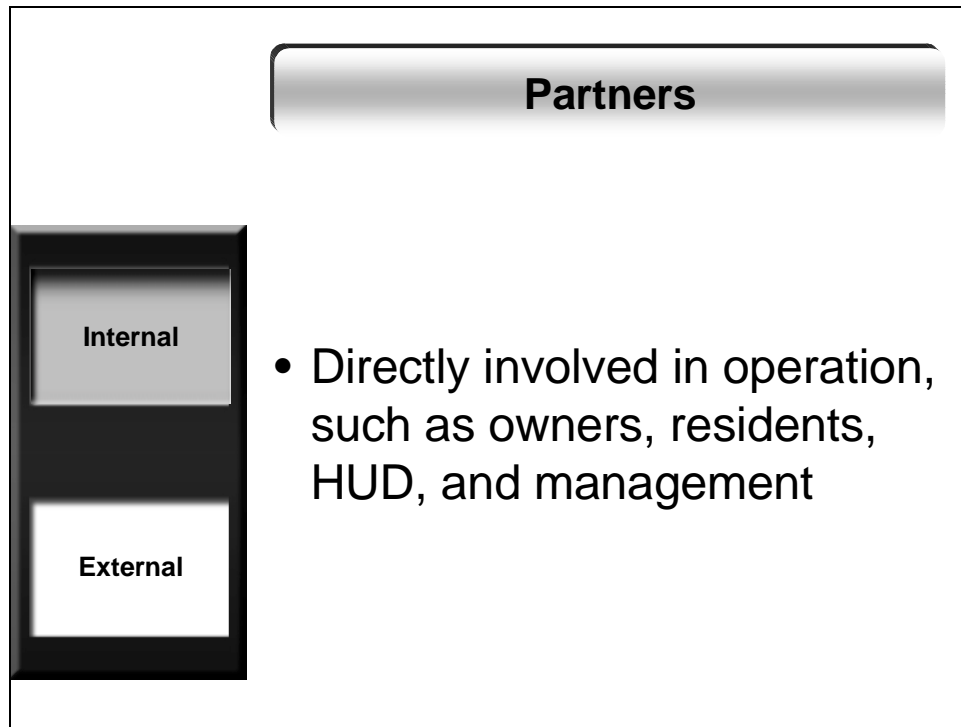
□ **Internal partners:** Those directly involved in the operation of the organization, such as owners, residents, HUD, and management.
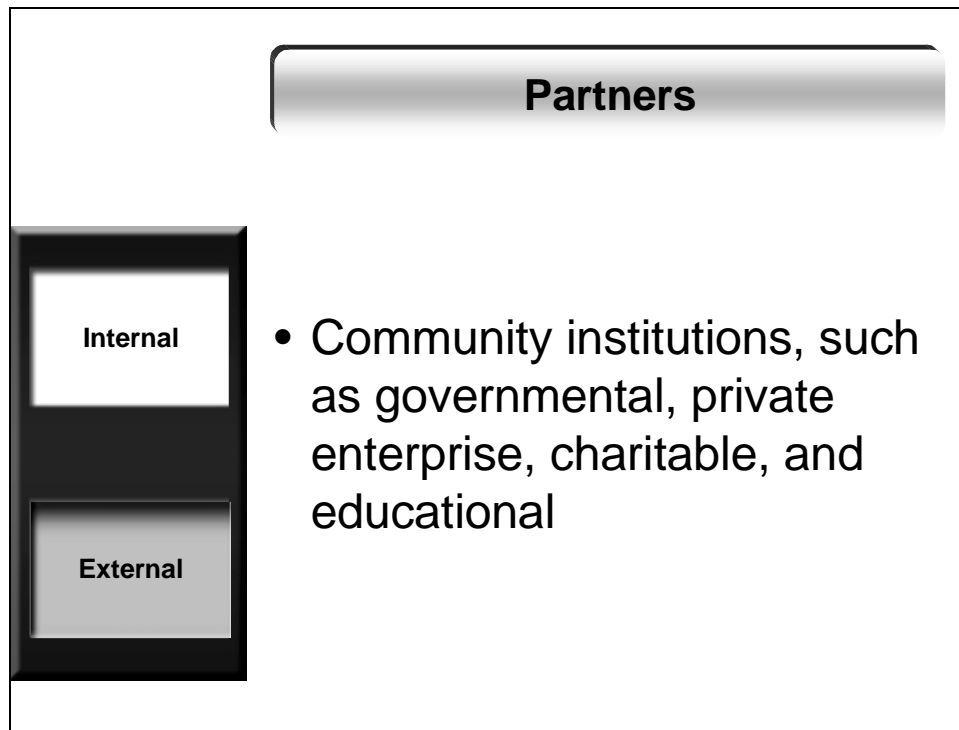
□ **External partners:** Various institutions in the larger community, including governmental, private enterprise, charitable, and educational institutions.

What are the conditions and context for forming partnerships with community groups?
□ Belief in common values.
□ Compatibility of mission and organizational culture.
□ Integrative potential of vision and leadership.
□ Interdependence of resource utilization and strategy.
□ Flexibility to adapt to differing conditions and contexts.

What are the key concepts involved in forming partnerships?
□ Integration of clients' needs with resource base.
□ Relocation of power/service bases.
□ Identification of common ground.
□ Assessment of types of relationships such as legal, partners of conscience, and symbiotic service partners.

What is the content of the partnering relationship?
□ The types of resources that can be brought together.
□ The types of goals and objectives that enhance the common ground already shared.
□ An assessment of the organizational culture of the partners.
□ An assessment of performance.
□ An understanding of the various audiences of power and dependence that each relies on and is conditioned by.

The Owner as Partner

If an owner is willing and committed to the concept of the end results of a NN center and its potential positive impact on the property and the housing community, he or she can use funds from the housing development to pay for the establishment of a NN center.

Some of the initial cost could include:
❑ Space: Either rent-free units or space in the community building if applicable.
❑ Cost of rehabilitating the space for a NN center.
❑ Provision of hardware and software.
❑ Provision of initial supplies and furniture.
❑ Provision of wiring and security for the center.

Additional cost could be related to sustaining the center on an ongoing basis. This would require working with the owner to establish some of the core costs of a NN center budget and program. The willingness and working relationship that a resident community has with an owner is vital to gaining more of the core costs. An owner working with residents could seek HUD approval for the following:
❑ Personnel: Usually this person would be responsible for the center and the business development plan.
❑ Utility costs with the rent-free apartment.
❑ Office/administrative costs, such as telephone and Internet service and other normal supplies related to computers.
❑ Periodic equipment upgrades and material.

Under the HUD regulations, an owner can use some funds of the housing development to set up and, in some cases, sustain the core cost of a center. The owner, working with the residents, can use either residual receipts or replacement reserve funds to establish a NN center either on the property or offsite at a nearby location. The initial setup costs can include the rehabilitation cost of the space for the center.

One-time setup costs could include:
❑ The rent-free unit or space.
❑ Utilities, if owner is willing and gets HUD approval.
❑ Cost of equipment, software, and initial supplies, if the owner agrees and HUD approves.
❑ Rehabilitation of unit to make ready for an NN center, including the wiring and security cameras for the center, if HUD and the owner agree.
❑ Telephone service hookups and Internet lines, if the owner and HUD agree.
❑ Could include the furniture.
❑ Could include a staff person known as the program coordinator or line administrator if you have a server set up with a local area network. This position could be built into the housing operation budget on an annual basis if the owner and HUD agree.
❑ Periodic equipment and software updates could be included, if the owner and HUD agree.

It is important to negotiate with the owner as much as possible to build the center into a structural component of the housing budget. Often this is not possible, but in some cases it has occurred. Keep in mind that the owner is allowed to use either replacement reserve funds or residual receipts funds for the initial center setup. All costs after initial setup will be the responsibility of the development and the owner. If you are going to ask for the owner's support to build some of the core cost into the annual housing budget, you will need to develop criteria that help the owner and HUD see how other costs could be lowered by the success of this center program. It really is an amenity to the property that could have many short- and long-term benefits. You will need to spell them out.

Some centers are housed in an apartment unit, some are in an existing community center building, and some might be housed offsite in a nonrelated building.

Finding Other Potential Partners

Finding Other Potential Partners

- City government
- State government
- County government
- Federal government
- Voluntary associations
- Businesses and corporations

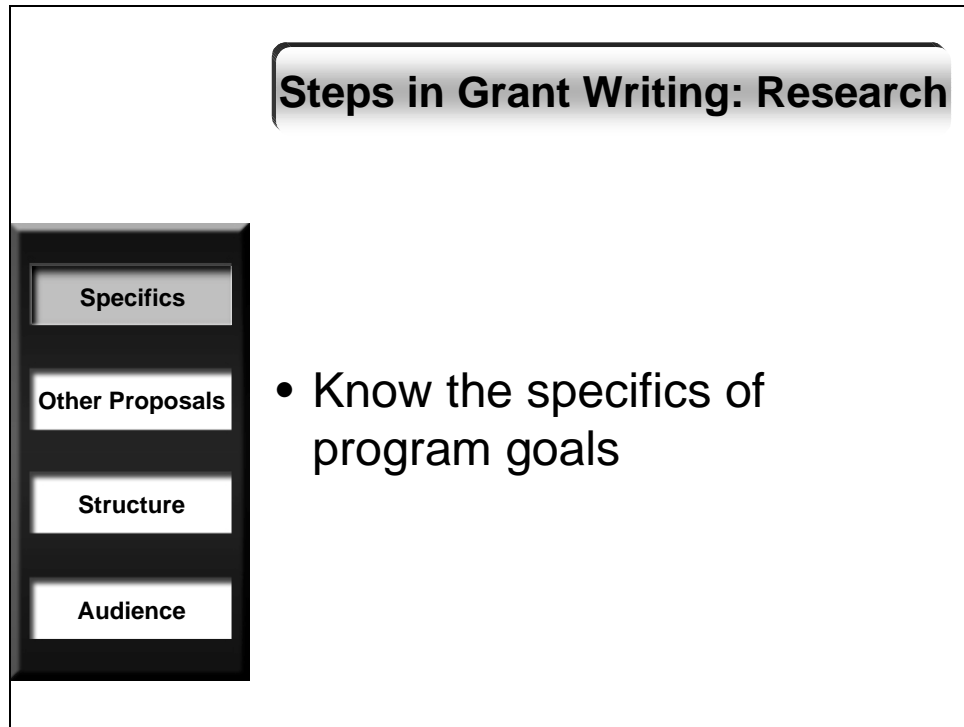Where are the possible funding sources in your community?
- ❑ City government.
    - – Community Development Block Grant funds.
    - – Community services department.
    - – Community development authority.
    - – Mayor's office budget for special services and needs.
    - – Others in your area.

- ❑ State government.
    - – Department of Workforce Development.
    - – Department of Health and Human Services.
    - – Department of Public Instruction.
    - – Department of Corrections.
    - – Other agencies such as Technical College Systems Boards.
    - – Various union organizations of teachers, social workers, and laborers.
    - – State telecommunications boards.
    - – Others in your area.

- ❑ County government.
    - – Department of Health and Human Services.
    - – County Executive Office, budget and initiatives.
    - – Program committees of the county supervisors.

- Employment and training programs and services.
- Others in your area.
❑ Federal government.
  - Go on the Web addresses of each of the departments, for example, *www.hud.gov.*

❑ Voluntary associations.
  - Foundations. Is there a community foundation in your area?
  - Service clubs such as the Rotary Club or the Kiwanis.
  - United Way, Community Shares, churches. The United Way is a great resource because in most cases they have directories of foundations and other funding organizations in the community, state, and nation as well as private individuals and organizations that are looking for worthy causes to support.

❑ Businesses and corporations.
  - The association of accountants.
  - The Society for Training and Development Officials.
  - Local chapters of the board of realtors.
  - Local chapters of computer clubs.
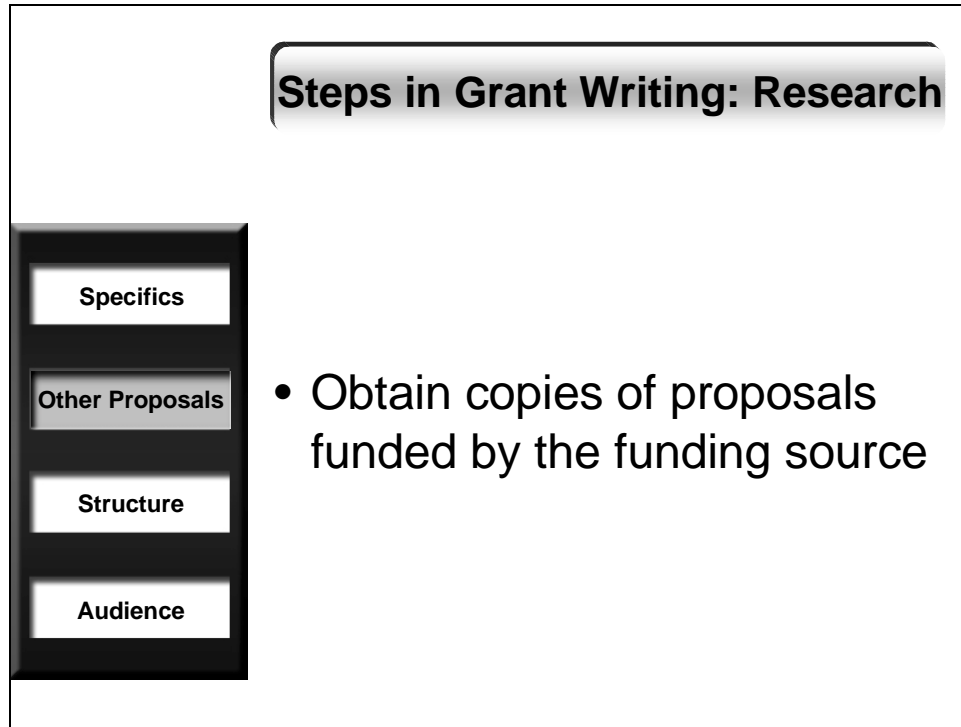 - Local chapters of finance institutions.

If you can think of a profession, there is probably a membership organization organized locally to assist members in the profession. These are valuable resources for funding and fundraising. They could also be good partners and sources of volunteers.

❑ **A sponsoring partner.** There may be a corporation or foundation in your community that is interested in being a major sponsoring partner for public relations benefits, community involvement requirements in their organizational or regulatory structure, or both. How do the mission and philosophy of your NN center make it a good fit for this organization's goals in this area? Will this be a source of setup funds, ongoing annual budget funds, or both?

Some Steps in Grant Writing

Steps in Grant Writing: Research

- Specifics
- Other Proposals
- Structure
- Audience

• Know the specifics of program goals
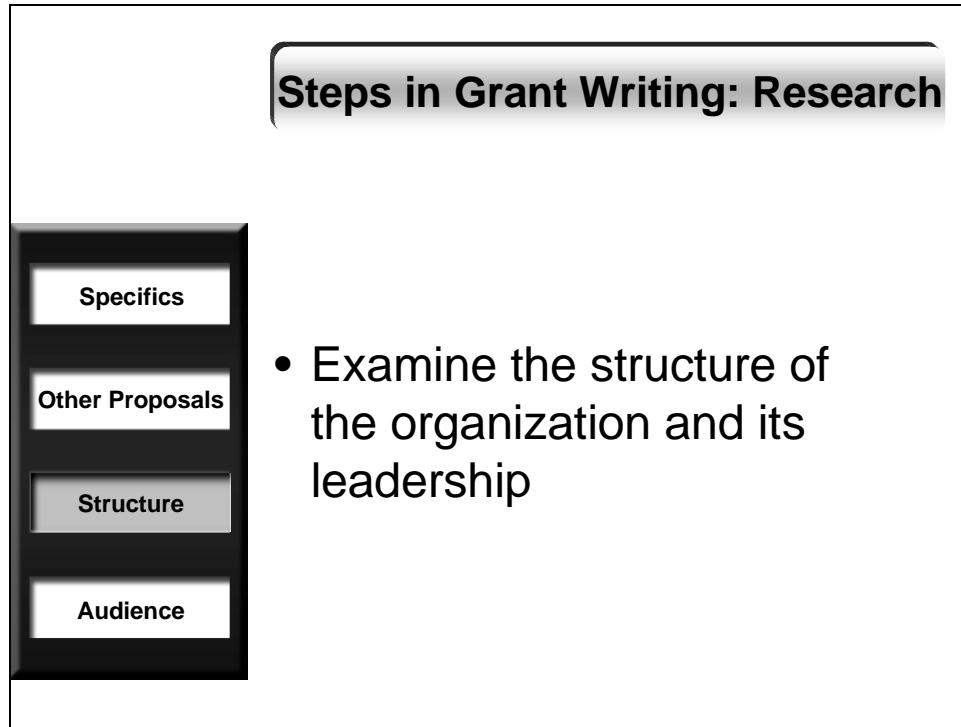
❑ Know the specifics of your program goals and the alignment of the funding source's goals and objectives with yours.

Steps in Grant Writing: Research

Specifics

Other Proposals

Structure

Audience

- Obtain copies of proposals funded by the funding source

❑ Obtain copies of other proposals that were funded by the funding source and compare them with the stated purpose and objectives of the funding source initiatives for that year. Pay attention to the language used and the narrative for each of the items in the application.
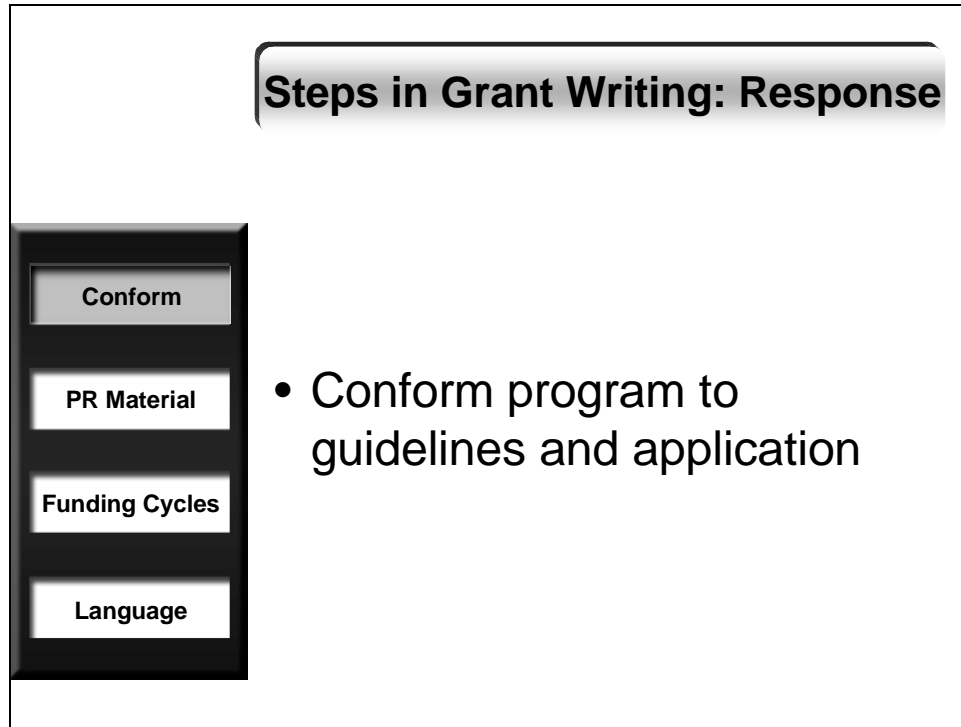
Steps in Grant Writing: Research

Specifics

Other Proposals

Structure

Audience

- Examine the structure of the organization and its leadership

❑ Examine the structure of the organization and its leadership. Find out if you have any contacts or other supporters that know the people in the funding source. Letters of support are important where appropriate.
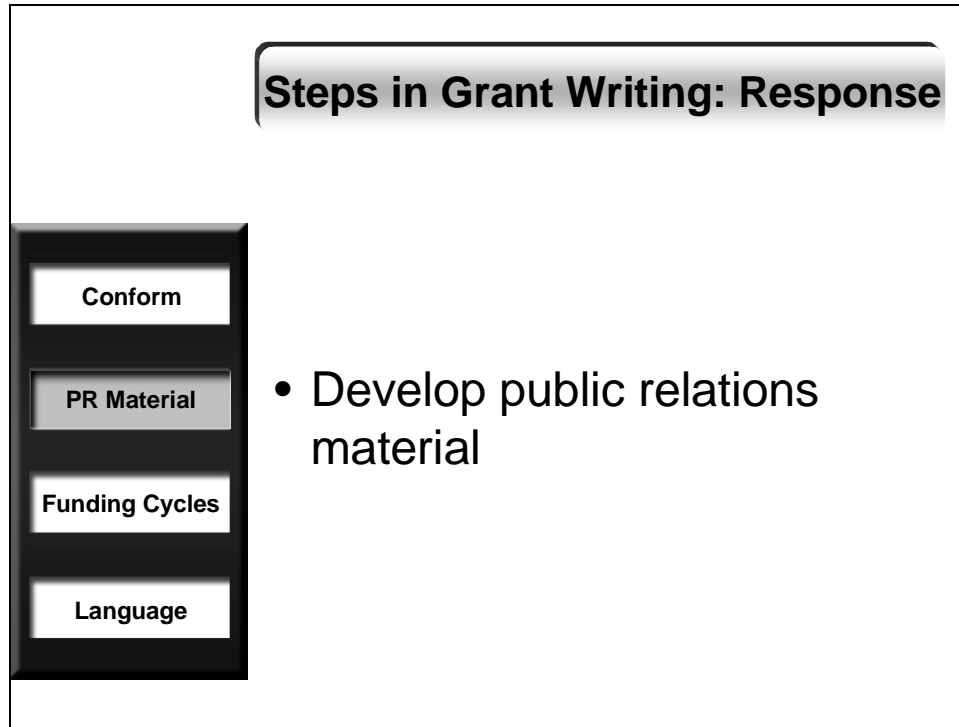
Steps in Grant Writing: Research

Specifics

Other Proposals

Structure

Audience

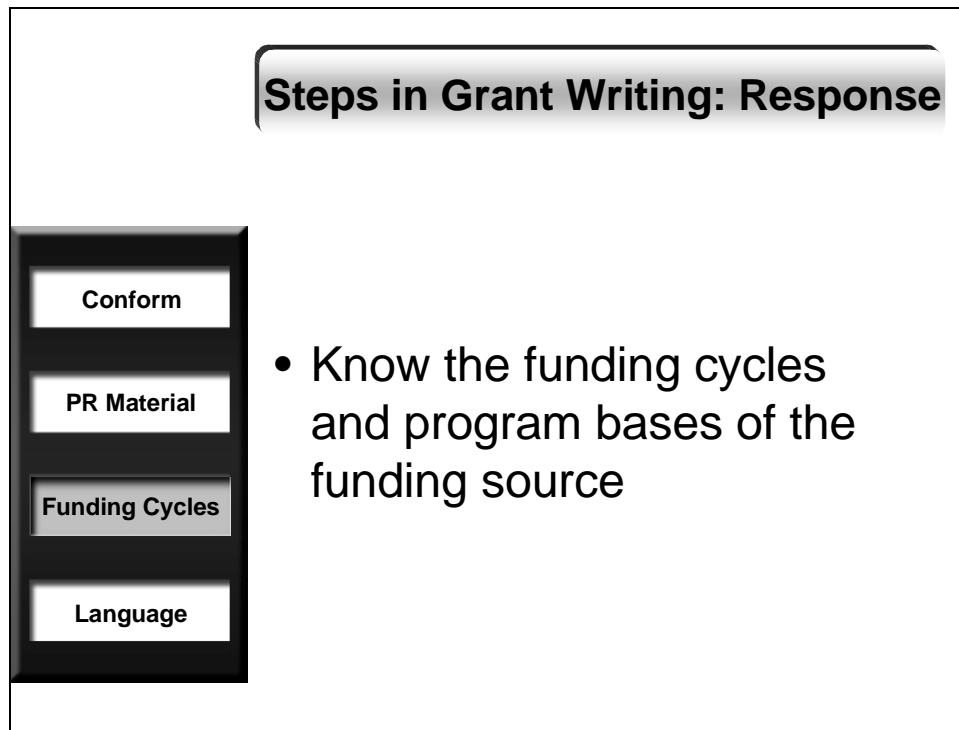- Ensure your documents are geared to the audience for your proposal

❑ Because more and more funding sources are asking for your mission statement and organization board of directors, make sure that your documents are well done and geared to the audience to which you are submitting a proposal.

Steps in Grant Writing: Response

Conform

PR Material

Funding Cycles

Language

- Conform program to guidelines and application

❑ Fit your story and program into the specifications of the funding source's guidelines and application. Mission match, alignment of goals and objectives, focused measurements, and outcomes are all part of what funding sources want to know. It is not enough to have a good purpose or mission. Your story must fit their envelope.

Steps in Grant Writing: Response

Conform

PR Material

Funding Cycles

Language

- Develop public relations material

□ Develop public relations material that has the people you serve sharing what the program means to them and has done for them. This is helpful discipline and could also be material that you can send to funding sources that might cause a funding source to ask for more information about you.
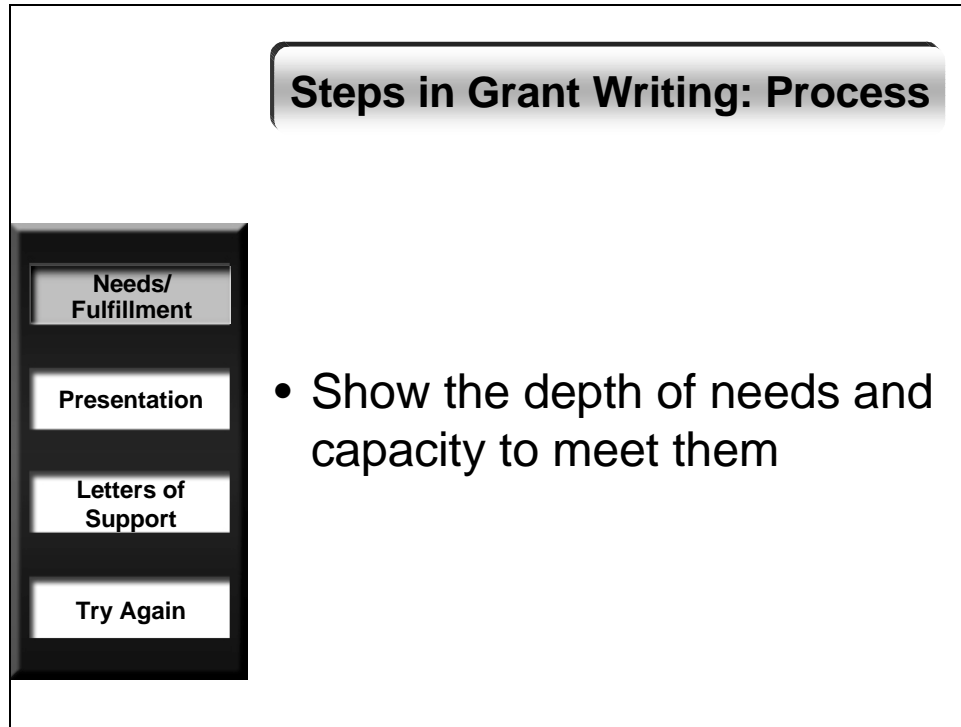
Steps in Grant Writing: Response

Conform

PR Material

Funding Cycles

Language

- Know the funding cycles and program bases of the funding source

❑ Know the funding cycles and program bases of the funding source. For example, do they fund one-time activities? Do they support long-term program funding? Do they require funds to be matched? Do they require collaboration between yourself and other agencies in your area or program services as part of their funding requirements? Do they require a management plan for agency self-sufficiency after funding for a period of time? What type of review and paper work will they require of you if you are funded?

Steps in Grant Writing: Response
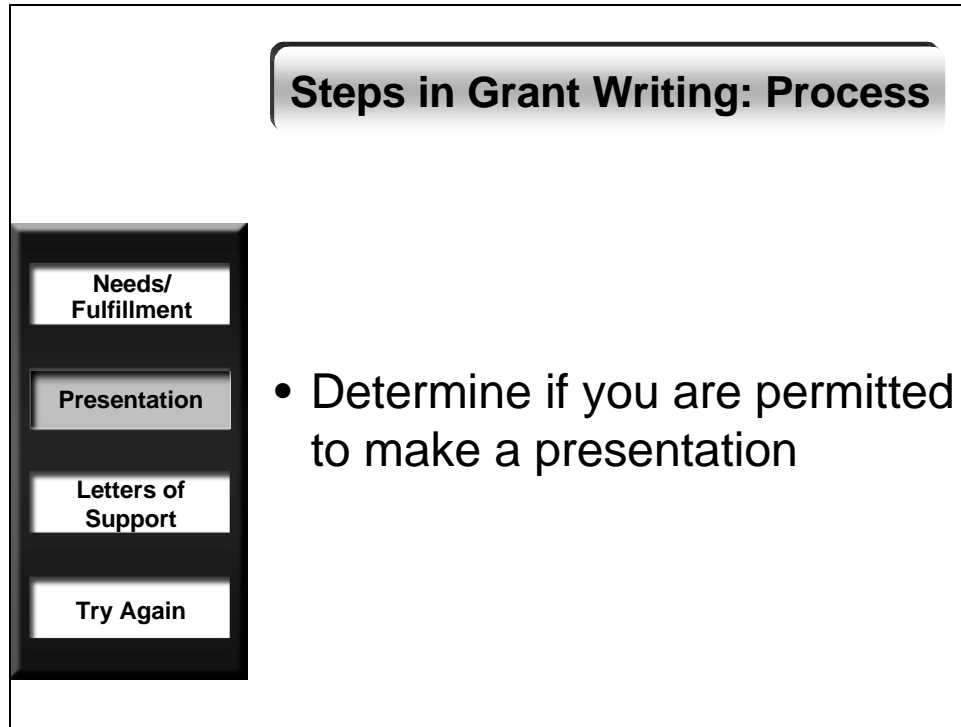
Conform

PR Material

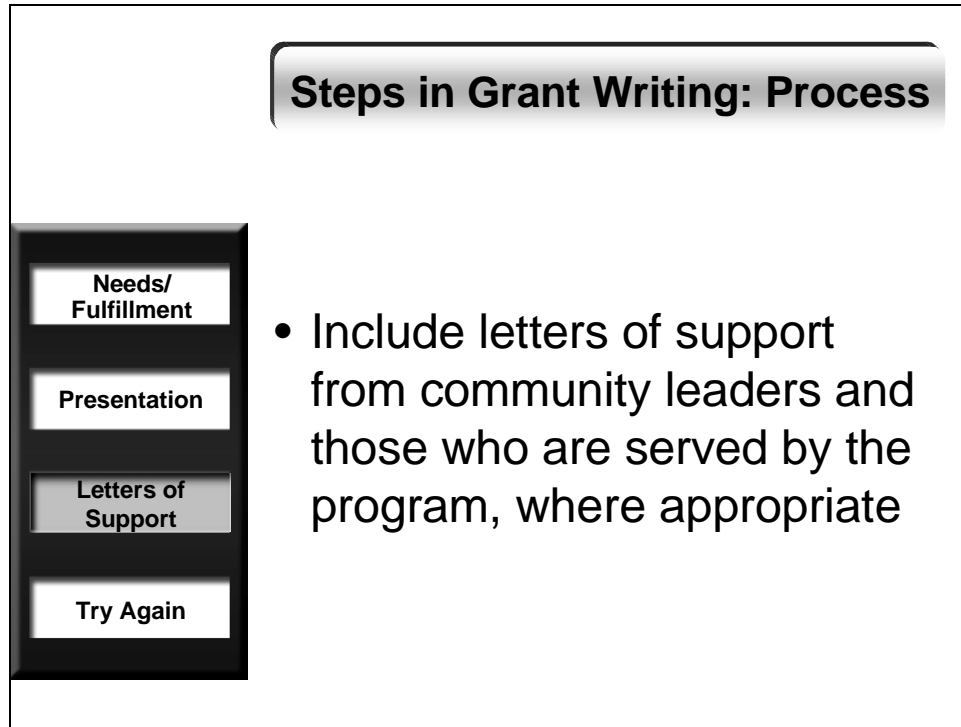Funding Cycles

Language

- Use the language they are accustomed to

❑ Write your proposal using language they are accustomed to and in a disciplined way—no rambling, no generalizations, and no unsupported data.

Steps in Grant Writing: Process

Needs/
Fulfillment

Presentation

Letters of
Support

Try Again

• Show the depth of needs and capacity to meet them

❑ Show the depth of needs to be served and the quality of capacity you have as an organization to meet those needs in your program design and organization experience. Leadership at the top is not enough.

Steps in Grant Writing: Process

Needs/
Fulfillment

Presentation

Letters of
Support

Try Again

• Determine if you are permitted
to make a presentation

❑ Understand the funder's review process and whether it permits you to make a presentation. If so prepare to be concise and have some of the people you serve assist in the presentation wherever possible. Remember, funders are looking not at you but at what you do for whom and with whom.

Steps in Grant Writing: Process

Needs/Fulfillment

Presentation

Letters of Support

Try Again

- Include letters of support from community leaders and those who are served by the program, where appropriate

---

❑ Where appropriate, have letters of support from community leaders as well as the people who are served by the program. If you have an advisory board, make sure that it is diverse and has as members recognized leaders in the community and the area of service.
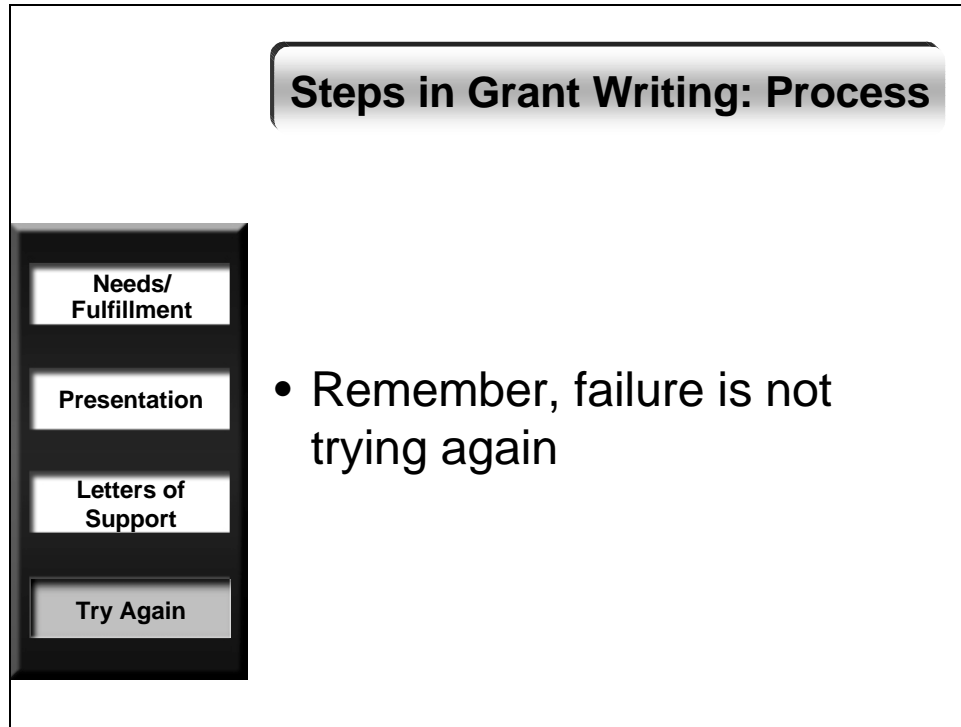
□ Remember that failure is not trying again. Grant writing involves rejection from time to time. Understand that rejection might not mean anything more than an improper fit between your program and the funding source.

Hidden Costs of Grants and Grantwriting
□ Are there membership fees and requirements?
□ Are there licensing requirements?
□ Are there training requirements not covered in the grant?
□ What reporting costs will be involved?
□ Projected man-hours and administrative costs for reporting, evaluation, and measurement.
□ What controls will be exerted on your program and/or budget?
□ How intrusive are audit requests on the total program and agency?
□ Are the personnel costs and requirements outside of your agency policies?

Practical Application Exercise

Practical Application Exercise

- Developing initial center opening
- Developing partnership

❑ Exercise developing initial center opening
- – Budget development.
- – Partner development.
- – Scope of program.
❑ Exercise for developing partnership
- – Identifying agencies and individuals in the community as potential partners.
- – Evaluating the match between agencies and individuals and center program mission, goals and objectives, and strategy of implementation.
- – Identifying cycles of involvement.
  - ▪ Time.
  - ▪ Substance.
  - ▪ Structured.
  - ▪ Nonstructured.
- – Evaluating partner relations for extension or closure.

Closing Points

Each center has its own unique environment, capacities, leaders, and need levels. It is important to realize that there may not be a uniform model of what a center ought to be. What a center ought to be is the organization of resources and talents committed to meeting the needs of the community as defined by the members of that housing community and extended to include advice and counsel by nonmembers of the housing community. Budget development should be looked on as what is realistic for you and whether you are starting a center, sustaining a center, or expanding the program of the center. Planning processes and asking relevant questions can serve as pivotal points for what needs to be developed in your budget. While you need to be

realistic in your budgeting, you also need to understand that it sets parameters that should allow you to survive more than a 12-month fiscal time clock.

Presenter Biography

Reverend Carmen Porco, president of Porco Consulting Services, has been involved with Neighborhood Networks since its inception. He planned, built, and developed community learning centers in Wisconsin that have operated successfully for 7 years and serve as a model for the program. Porco has provided technical, practical, and philosophical advice to Neighborhood Networks sites throughout the nation. He has provided training in management and organizational development and partnering and networking during the past 30 years. Porco developed the curriculum and training manual for administrators for the American Association of Homes and Services for the Aging in Washington, D.C. He has trained managers of low-income housing for nearly 30 years, both in developments for which he has direct responsibility and for other organizations.